

BIROn - Birkbeck Institutional Research Online

Mabbett, Deborah and Schelkle, W. (2014) What difference does Euro membership make to stabilization? The political economy of international monetary systems revisited. *Review of International Political Economy* 22 (3), pp. 508-534. ISSN 0969-2290.

Downloaded from: <https://eprints.bbk.ac.uk/id/eprint/9616/>

Usage Guidelines:

Please refer to usage guidelines at <https://eprints.bbk.ac.uk/policies.html>
contact lib-eprints@bbk.ac.uk.

or alternatively

Table 1: Real GDP growth 2008-2012

Euro members		Non-Euro fixed rate		Temporary deval'n		Sustained deval'n	
Greece	-19.9	Bulgaria	-2.6	Czech Rep	-1.6	Hungary	-5.6
Ireland	-3.9	Denmark	-3.6	Sweden	5.8	Poland	12.4
Italy	-5.8	Latvia	-9.2	UK	-1.0	Romania	-5.0
Portugal	-5.7	Lithuania	-5.2				
Slovenia	-8.3						
Spain	-5.0						

Source: AMECO; own calculations

Table 2: Projected real GDP growth 2012-2014

Euro members		Non-Euro fixed rate		Temporary deval'n		Sustained deval'n	
Greece	-3.6	Bulgaria	2.6	Czech Rep	1.2	Hungary	1.6
Ireland	3.3	Denmark	2.4	Sweden	4.0	Poland	3.3
Italy	-0.6	Latvia	8.1	UK	2.3	Romania	3.9
Portugal	-1.8	Lithuania	6.8				
Slovenia	-2.0						
Spain	-0.6						

Source: European Commission, DG EcFin, Estimates and projections as of May 2013

Table 3: Real exchange rate change, 2008-2012

Euro members		Non-Euro fixed rate		Temporary deval'n		Sustained deval'n	
Greece	-10.5	Bulgaria	17.5	Czech Rep	-0.2	Hungary	-9.0
Ireland	-19.4	Denmark	-0.8	Sweden	7.9	Poland	-16.9
Italy	1.2	Latvia	-15.4	UK	4.6	Romania	-8.1
Portugal	-6.5	Lithuania	-10.3				
Slovenia	2.8						
Spain	-10.7						

Source: DG Ecfin quarterly competitiveness report, REER based on unit labor costs (total economy)

Table 4: Cumulative current account imbalances, 2000-2008 (in % of GDP)

Euro members		Non-Euro fixed rate		Temporary deval'n		Sustained deval'n	
Greece	-119	Bulgaria	-103	Czech Rep	-35	Hungary	-68
Ireland	-19	Denmark	25	Sweden	61	Poland	-32
Italy	-8	Latvia	-111	UK	-19	Romania	-66
Portugal	-89	Lithuania	-75				
Slovenia	-21						
Spain	-58						

Source: AMECO

Table 5: Bank exposures to Hungary

	2008	2009	2010	2011	2012
Total foreign claims ..in % GDP	111.6	96.5	99.2	83.0	82.4
..% change Dec-Dec	12.2	-2.5	-14.8	-15.3	-5.1
Share of Austrian banks	24.0	24.8	26.7	28.1	25.5*

*Figure for March 2013, due to missing data for Sept-Dec 2012.

Sources: own calculations based on BIS Quarterly Reviews Statistical Annex, Table 9B:
Consolidated foreign claims of reporting banks - immediate borrower basis; GDP in \$US:
World Bank (<http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>)

Table 6: Bank exposures to Latvia

	2008	2009	2010	2011	2012
Total foreign claims ..in % GDP	140.7	92.1	96.8	87.7	72.4
..% change Dec-Dec	6.8	-23.5	-19.2	-16.0	-2.5
Share of Swedish banks	57.3	64.3	66.6	69.5	71.9

Sources: see table 5

Table 7: Bank exposures to Greece

	2008	2009	2010	2011	2012
Total foreign claims ..in %GDP	88.4	69.1	50.1	40.7	23.2
..% change Dec-Dec	-1.9	-12.5	-31.9	-26.0	-51.5
Share of ..French banks	26.7	31.8	33.0	33.1	36.6*
..German banks	14.2	19.1	21.1	27.7	29.0*

*Sept 2012, due to apparent error in the data for Dec 2012.

Sources: see Table 5

Table 8: IMF analysis of Greece's debt dynamic

	2008	2009	2010	2011	2012
<i>Change in public sector debt/GDP ratio of which:</i>	5.2	16.8	18.6	22.7	-13.1
Debt-creating flows: primary deficit	4.8	10.4	4.8	2.3	1.5
Debt dynamics 1: real interest rate	0.3	2.6	4.5	5.6	6.0
Debt dynamics 2: GDP growth	0.2	3.6	6.6	11.2	11.0
Bank recapitalization, PSI sweeteners	0.0	0.0	0.0	0.0	37.9
Residual - incl debt relief	-0.3	0.3	2.2	2.8	-70.9

Source: IMF 2013c Annex Table AI.1